

**MINUTES OF LAYTON CITY
COUNCIL WORK MEETING**

MARCH 5, 2015; 5:39 P.M.

**MAYOR AND COUNCILMEMBERS
PRESENT:**

**MAYOR BOB STEVENSON, JOYCE BROWN,
TOM DAY, JORY FRANCIS, SCOTT FREITAG
AND JOY PETRO**

STAFF PRESENT:

**ALEX JENSEN, MARLESSE JONES, SCOTT
CARTER, JAMES (WOODY) WOODRUFF,
STEPHEN JACKSON, TERRY COBURN, PAUL
APPLONIE, WES ADAMS AND THIEDA
WELLMAN**

The meeting was held in the Council Conference Room of the Layton City Center.

Mayor Stevenson opened the meeting and turned the time over to Staff.

AGENDA:

WATER MASTER PLAN DISCUSSION

Alex Jensen, City Manager, said as a follow up to the previous discussion, Staff wanted to review a schedule moving forward with a Water Master Plan. Alex said discussion suggested that at some point there should be an opportunity for the representatives from the irrigation companies to share information about their companies and share with the Mayor and Council what their interests and desires were. He said Staff felt that it might be more productive to have those presentations at the front of the process rather than at the end of the process. Alex said as the Council began to consider the opportunities going forward to provide water to the citizens, it would be good to know up front the various interests and desires of those companies. He said Staff wanted to have something put together for them to respond to, and tonight Staff would like to try and identify some of the questions the Council may want to have each of the irrigation companies answer, that would help the Council moving forward to make decisions.

Alex said Staff had tried to identify some questions that they thought would be logical for the Council to consider asking. He said Staff wanted to present those questions tonight and have the Mayor and Council add or delete to that with the intention that once the Council felt good about the questions, make those available to the various companies and begin to put in place a schedule where they could come and represent themselves, rather than Staff trying to convey their thoughts. Alex said based on feedback from the last meeting, Staff had amended the score card by adding a liability component.

Scott Carter, Strategic Project Manager, reviewed the goals of the Water Master Plan, which were to make sure the City provided efficient and cost effective water to the residents, and to preserve and maintain the existing infrastructure and resources in the City.

Scott said Staff had structured the questions to get information from the irrigation companies that would help the Council make an informed decision on the alternatives that were discussed in the previous meeting.

Scott asked for feedback from the Council on the draft questions so that Staff was gathering the information the Council wanted directly from the irrigation companies.

Scott read through the questions.

Question 1. Describe your company's interest in participating in a pressurized secondary irrigation system to service residents of Layton City.

- a. Address whether your company is interested in providing infrastructure or being a wholesaler for a pressurized secondary irrigation system in Layton City.
- b. Address your company's willingness to combine with other irrigation companies to form a single pressurized secondary irrigation provider to service residents of Layton City.
- c. Describe the roll your company envisions for Layton City as part of the future of your company.

Councilmember Brown said, relative to subsection "a" couldn't it be both infrastructure and water.

Scott said it could be.

Councilmember Day said at some point, whether it was done by the irrigation companies or someone else, there would have to be an in-depth feasibility study of the irrigation companies combining because there would be a lot of complications in doing that.

Councilmember Francis said there would be so many questions relative to that one aspect; it would be very difficult.

Alex said he felt that that was being contemplated. He said the City was not trying to determine the viability of that, or whether it would work or not. The question was to see if the irrigation companies were interested in approaching that possibility. Alex said there wasn't a right or wrong answer. He said the various irrigation companies had different assets; the City wanted to provide flexibility to allow everybody to indicate whether they wanted to do that or not. He said there would be a lot more detail down the road.

Councilmember Brown asked if the irrigation companies would receive the different options so that they would be able to respond.

Alex said from Staff's perspective, at the outset the City would take a very deliberative, very objective approach to this. He said the City would ask everybody that participated to do that. Alex said up front, Staff was trying to get information for the Council. He said the more facts and information that everybody could provide, as they went through the information, there would naturally be opinions formed based on the facts. Alex said Staff was trying to make this very transparent so that it was the facts and information that lead to a conclusion; not jumping ahead and forming a conclusion and then trying to get facts to support that conclusion.

Mayor Stevenson said Staff was trying to make the questions broad so that there wasn't a yes or no answer.

Alex said every company would be asked the same questions and given the same opportunity. It would be an equal playing field. He said everyone would have an opportunity to be involved if they chose to do that.

Question 2. Describe your company's service area and quantify the amount of water available for use in a pressurized secondary irrigation system.

- a. Identify the service area located within Layton City.
- b. Identify the service area outside of Layton City.
- c. Identify the quantity of water available to your company's service area within Layton City.
- d. Identify the quantity of water available to your company's service area outside of Layton City.
- e. Does commitment to agricultural irrigation systems affect availability of water to a

- pressurized secondary irrigation system in Layton?
- f. What long term planning is being done to determine the conversion of agricultural water to urban/suburban pressurized secondary water?

Councilmember Petro asked if this question should also include information about the age and functionality of their current system.

Alex said that would be a good addition.

Question 3. Describe your company's ability to control/protect water for use in a pressurized secondary water system in Layton City.

- a. How do the company bylaws address protection of water pertaining to use in a pressurized secondary irrigation system in Layton City?

Mayor Stevenson asked Scott to define protection.

Scott said did their bylaws really commit the water to Layton City, or were they planning for it to go elsewhere.

Alex said a company might have a sufficient quantity of water to prove to the City. If the City was to partner with that company, or a combination of companies, and make a commitment with infrastructure, it would be important that the water was always able to be made available to the City. He said you couldn't start into a system and then five years down the road find out that individual shareholders had perhaps sold off some of that water outside of the City.

Councilmember Petro suggested elaborating on that question a little so that it was clear to the irrigation companies what the City wanted.

Alex said the questions would be made available to all of the companies and then Staff would ask for feedback to make sure there was clarity with the questions.

Question 4. Address the reliability of the water sources available to your company.

- a. Address the priority of the water rights owned by your company.
- b. Provide historical water data for sources and water delivered to system.
 - i. Provide data from drought years as well as years with sufficient supply.

Question 5. Describe the pressurized secondary irrigation connections (current and future) serviced by your company.

- a. Identify the number of connections currently serviced with pressurized secondary irrigation within Layton City.
 - i. How much water is required to service these current connections?
- b. Identify the number of connections projected to be serviced with pressurized secondary irrigation within Layton City.
 - i. How much water is required to service these future connections?
- c. Identify the number of connections currently serviced with pressurized secondary irrigation outside of Layton City.
 - i. How much water is required to service these current connections?
- d. Identify the number of connections projected to be serviced with pressurized secondary irrigation outside of Layton City.
 - i. How much water is required to service these future connections?
- e. Do you now, or do you anticipate implementing any water conservation measures, e.g. metering or restricted water times and/or days?

Councilmember Petro said the question addressed projections. She asked if they were allowing the companies to make the assumption that it wasn't necessarily based upon where they were currently

operating; or where they think their designated area was. Councilmember Petro asked if the question wanted overall projects for the entire City or the portion that the companies wanted.

Steve Jackson said it was based on the area that they currently planned to service. He said the individual companies had service areas and they knew where they were flood irrigating or not. Steve said the City was asking what their projections were for their future pressurized area, and how many connections they would be servicing.

Councilmember Day said this would include current agricultural areas that were being serviced.

Steve said yes; what they considered their service area. He said the intent wasn't to have them do projections outside of their current service area. Steve said the question could be clarified to make sure they understood the intent.

Question 6. Describe your company's current organizational structure.

- a. How many employees does your company employ?
 - i. Field vs. office staff or serve as both.
- b. Describe your company's financial situation. How well capitalized is the organization? Does your company have financial reports that can be made available for review?

Councilmember Petro said it would help her in understanding their overall structure to know who handled their billing; was it done in-house or through a third party, or was it something the City would take on. She said she would also like to know what their customer service structure was to the end user; was it at the connection point or at the lateral; define where the end user took over responsibility.

Alex said they could probably speak to how that was handled now; going forward if a partnership was entered into with the City, he would assume that that would be one of many details that would need to be worked through. He said that was a very important question.

Councilmember Day asked if they would want to see several years of financials.

Alex said the assumption was that it would be for the current year. He said the City recognized that all the companies were in a different situation; there wasn't a right way or a wrong way, but it was important for the City to understand that when looking toward a partnership.

Question 7. Describe your procedures and abilities to respond to emergency situations, e.g. night time line break or other system failure.

- a. Address personnel, equipment, and contact procedures.

Question 8. Provide your company's current rate structure for providing pressurized secondary irrigation and unpressurized irrigation to your service area.

- a. Address your company's current rate structure and any plans for changes in the future.

Scott asked if there were any additional questions to consider.

Woody asked that they address cost of operations and maintenance, design construction standards, and liability.

Alex said that would speak to their current situation; it may change or be required to change.

Mayor Stevenson said the ability to retain water should be explained.

Alex said Staff hoped that Question 3 would touch on that; it could be better clarified.

Mayor Stevenson asked what the contingency plan would be if a reservoir went down.

Councilmember Day said that would be addressed in sources of water and available water.

Councilmember Brown said with Question 6 relative to the financial situation, she would like information about outstanding liabilities; law suits, etc.

Councilmember Day said relative to liability, did they want to know supply liability and infrastructure liability. He said all the systems had an inherent liability because of the way they were built and where they were built. Councilmember Day said they all could have a pipeline break or a failure such as that. He asked if the questions should address that, or were they looking more about liability as far as servicing the customers.

Councilmember Francis said he felt there were two liabilities; supply liability and structural liability.

Alex said he thought the Council would want to understand what kind of insurance coverage they had; what steps were they taking to mitigate any exposure. He said everyone understood that water systems were risky. Alex said he didn't know that there would be a need to explain what the City already knew.

Councilmember Francis said the question might be, "Do you have structural specifications that you adhere to that the City could see over the years."

Mayor Stevenson asked Ivan Ray, Davis and Weber Counties Canal Company, if they could get liability insurance on their lines.

Mr. Ivan Ray said they had liability insurance for 21 million dollars. He said for the pressurized system they had an emergency management plan, and the pump stations and reservoirs were covered under their insurance. He said they had liability insurance for broken lines if it caused damage.

Councilmember Petro asked if there should be a question about their regular maintenance schedule.

Councilmember Brown said similar to the City televising the sewer lines every few years.

Alex said Staff would gather whatever information the Council would like. He said Staff's idea was to have the companies provide a general idea of their capacities in the different areas, which would give the Council a sense of whether there was a likelihood that under some type of a formal arrangement, they would have the capacities to continue to do that. Alex said what they were doing today may change, but hypothetically if you had an entity that currently had insurance coverage like what was discussed by Mr. Ray, and they had a maintenance plan, and design standards, it was reasonable to assume that they would expect that going forward. He said if there was a company that didn't have any of that structure, but indicated that they were going to start doing that, it might be something important for the Council to consider. Alex said the details of insurances, coverage, and liabilities would be worked out if an agreement was entered into. He said a lot of those answers would naturally come as this progressed.

Alex said during the process, the Council could certainly add things. He said Staff would suggest that if additional things were added for one company, those same questions should be asked of all companies so that everyone was providing the same information.

Mayor Stevenson said the conversation itself would stimulate additional questions.

Mr. Ray said it would be ideal if the companies could have those questions for a week or two to allow the companies to respond in writing.

Alex said that was the intent. He said the hope would be that the information would be presented to the

Council verbally, but that it would also be presented in writing. That way it would be clear that they were the companies' words, and the City would not be interpreting or trying to remember what one company said versus another.

Ron Layton said a lot of the smaller ditch companies that got water from Davis Weber owned the ditches. He said if those ditches were taken over and lined with pipe, it would save the City and canal company a lot of money. Mr. Layton said the ditch companies owned easements all over the City.

Councilmember Day said that information would likely come out through this process.

Councilmember Day disclosed that he was a shareholder of Kays Creek Irrigation and Davis Weber Canal Company.

Mayor Stevenson disclosed that he also had Davis Weber Canal Company shares.

Councilmember Petro disclosed that she had Davis Weber Canal Company shares.

Councilmember Brown said she received her secondary water from Weber Basin.

Mr. Ray said Alex Jensen received his secondary water from Davis Weber Canal Company.

Mayor Stevenson asked if dates should be set for the questions to be back to the Council. He asked if the individual companies would be asked to meet with the Council, or would it be done all together.

Alex said Staff would like the Council to set a date. He said Staff would make an effort to manage work meeting agendas to allow for time during a work meeting to meet with the irrigation companies. Alex said his personal opinion was that each individual company should come in and have their own time to address the Council, and ask that the other companies not come. He said there should be an open forum for them to speak and share with the Council their information without having the information being challenged, or any type of adversarial relationship. The Council was simply trying to gather information; the companies should be able to share what they were hoping to do and what their plans were without having to worry about somebody else trying to pick up on that.

Councilmember Day asked if Alex was talking about questions from the other companies, not necessarily questions from the Council.

Alex said yes.

Councilmember Brown said the next few work meetings would include budget discussions; it might be hard to fit this on an agenda for a while.

Mayor Stevenson asked Mr. Ray how much time he felt they would need to go through the questions.

Mr. Ray said maybe two weeks.

Mayor Stevenson asked Mr. Ray how much time he would need to present the information to the Council.

Mr. Ray said there was a lot of information the Council would want to have. He said an hour to an hour and a half.

Alex suggested that each company be given an hour; the Council would be given the information in writing and they could emphasize the things they wanted more discussion on. He said everyone should be given the same amount of time. Alex said this was a really important decision for the Council to make and taking extra time to review the information wouldn't be a problem.

Mr. Ray said the written dialog could be given to the Council in advance of the verbal presentation to allow time for the Council to review the information and then inquire about those things they wanted more information on.

Discussion suggested having two separate meetings with two companies presenting information at each meeting, such as strategic planning meetings.

Mr. Ray asked if the questions could be submitted to them by the end of next week.

Mayor Stevenson said as soon as the questions were cleaned up, Staff would get them out to the irrigation companies.

Councilmember Brown said during Scott's presentation at the last meeting, he talked about that even within some companies their rates were different based on the area. She said if the City moved forward with some type of program, the rates would have to be consistent. Councilmember Brown asked if there would be a question to address that.

Discussion suggested that this type of information would come at a later date.

Councilmember Day said he was willing to spend an hour and a half because he didn't think it could be handled in one hour. He said he felt that it would be smart to schedule an hour and a half per company.

MAYOR'S REPORT

Mayor Stevenson said a date for an open house on the Traffic Master Plan needed to be set.

Woody said they were looking at a Wednesday night in April; possibility April 15th, from 6:00 p.m. to 8:00 p.m.

Discussion suggested that April 15th would work.

Woody said after that public open house, Horrocks Engineering would come back to a work meeting and present the results of the public comments to the Council.

Councilmember Brown asked how word would be sent out about the open house.

Woody said it was too costly to send notices to each residence. He said they would be providing information through the media, to the stakeholders, on the City's website, and through social media.

Councilmember Day asked if the consultants would be gathering the information and then bringing it back to the Council.

Woody said Staff would be there to support the consultants, but they would be gathering the information. He said Staff would schedule time during a work meeting to discuss the information gathered during the open house.

Mayor Stevenson said he felt that it would be nice for the Council to hold a reception and do a proclamation honoring the Layton High School Basketball Team for their recent State championship.

Councilmember Freitag said in the past the City had done a proclamation when teams had won. He said the team members had attended the Council meeting.

Mayor Stevenson asked about doing a small reception, possibly between the work meeting and regular meeting.

Discussion suggested holding a reception on March 19th.

Mayor Stevenson indicated that the City's response to the Shared Solution was sent out.

The meeting adjourned at 6:37 p.m.

Thieda Wellman, City Recorder